

TOP SECRET

25X1



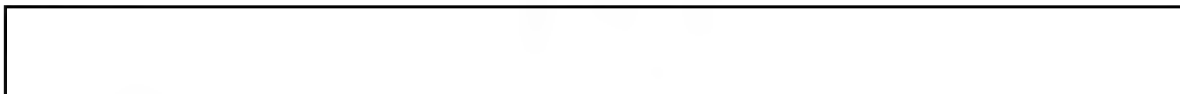
13 July 1962

25X1

Copy No. C

E.D.7

CENTRAL INTELLIGENCE BULLETIN



25X1

State Dept. review completed

GROUP I
Excluded from automatic downgrading
and declassification

TOP SECRET

25X1

Approved For Release 2003/04/17 : CIA-RDP79T00975A006500100001-8

Approved For Release 2003/04/17 : CIA-RDP79T00975A006500100001-8

13 July 1962

CENTRAL INTELLIGENCE BULLETIN

CONTENTS

1. USSR-Berlin: Khrushchev attempts to convey impression that Soviet attitude toward Berlin question has hardened. (*Page i*)

25X1

-
3. Laos - Communist China: Peiping appoints chargé to Vientiane post. (*Page iv*)
 4. Laos: Phoumi organizing political movement to counter Pathet Lao. (*Page v*)
 5. Burma: Ne Win reported planning to leave on 14 July for trip abroad; this could provide opening for coup attempt. (*Page vi*)
 6. Algeria: Ben Bella and PAG representatives agree on compromise procedure for resolving dispute between PAG and Algerian Liberation Army. (*Page vii*)
 7. Yugoslavia: Belgrade moves to balance its economic relations with the bloc, the West, and the nonaligned states. (*Page viii*)
 8. Czechoslovakia: Regime undertakes second major government reshuffle within a year. (*Page ix*)
 9. Spain: Government's economic policy may be liberalized by cabinet changes but no comparable result expected in the political sphere. (*Page x*)

CENTRAL INTELLIGENCE BULLETIN

13 July 1962

DAILY BRIEF

USSR-Berlin: [In discussing Berlin with Austrian leaders during their recent visit to Moscow, Khrushchev adopted a tone calculated to convey the impression that the Soviet position is hardening. He said that although he was prepared to continue the US-Soviet talks and had "tried to help the President" by considering the idea of international control over Berlin access, the present US position did not provide an acceptable basis for a compromise. He again warned that he could not wait forever, but mentioned no deadlines.]

[As in earlier [] talks with Western officials, Khrushchev minimized the danger that the transfer of Berlin access controls to the East Germans might spark a nuclear war, citing the absence of a direct Western response to the Berlin wall. He said the East Germans would assume control step-by-step so as to avoid confronting the West with a clear-cut challenge which could trigger a vigorous reaction. He also indicated that the USSR would reject the 7 June Western proposal for four-power talks on local Berlin problems.]

[Khrushchev evidently expected his remarks to be passed on and pitched them deliberately to keep the

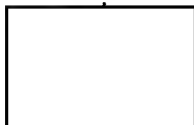
25X1

25X1



West under pressure in negotiations. There are no indications of a Soviet decision to break off the bilateral talks and to attempt to break the Berlin impasse by unilateral action in the near future.

25X1



*The 12 July TASS statement on Germany was designed to direct world attention to Khrushchev's proposal in his 10 June speech that Western forces in West Berlin be replaced by contingents from four of the smaller NATO and Warsaw Pact members under United Nations authority. The statement, apparently prompted by the immediate US public rejection of Khrushchev's proposal, was also intended to emphasize Moscow's unwillingness to perpetuate the status quo in West Berlin. It also reminds the West that the USSR is committed to signing a separate peace treaty with East Germany if no agreement can be negotiated.

25X1

13 July 62

DAILY BRIEF

ii

25X1

25X1

Approved For Release 2003/04/17 : CIA-RDP79T00975A006500100001-8

Next 1 Page(s) In Document Exempt

Approved For Release 2003/04/17 : CIA-RDP79T00975A006500100001-8

Communist China - Laos - Nationalist China: Communist China, moving quickly to establish diplomatic representation with the new Laotian government ahead of the Chinese Nationalists, has appointed a chargé in Laos. The chargé, who headed Peiping's economic and cultural mission in the Plaine des Jarres, traveled to Vientiane with Souphannouvong on 11 July and, according to a Peiping broadcast, presented "a letter of appointment" to Acting Foreign Minister Khamsouk Keola yesterday. It is not clear, however, whether Khamsouk intended this as formal concurrence in accreditation of the Peiping representative, an action which would be contrary to Souvanna Phouma's instructions that establishment of formal relations with all countries be shelved until Souvanna's return from the Geneva conference.

Taipei maintains consular relations with Laos and shortly before the establishment of the Laotian coalition government, Vientiane and Taipei had agreed to an exchange of ambassadors. The Nationalist Chinese appointee, however, has not as yet presented his credentials to King Savang, [Nationalist Foreign Minister Shen recently said his government could ignore a Chinese Communist cultural and economic mission in Laos, but could not acquiesce in the establishment of a Chinese Communist embassy. Shen and other officials have stated Taipei will not accept a "two Chinas" arrangement.] [redacted]

25X1

25X1

25X1

25X1

Laos: [General Phoumi is organizing a political movement designed to counter the Neo Lao Hak Sat--the Pathet Lao political arm--in eventual national elections. The new party, called the "National Movement for the Defense and Preservation of the Independence and Neutrality of Laos," aims at merging existing rightist parties. It reportedly hopes to collaborate with Souvanna's fledgling Neutralist Party (Lao Pen Kang) in presenting a single slate of candidates to oppose the Pathet Lao, who over the years have developed a widespread, disciplined grass-roots organization. Strong regional and vested interests in Laos, however, will hamper formation of a non-Communist united front. The Neo Lao Hak Sat's electoral victories in 1958 largely resulted from the failure of the anti-Communists to put up a unified slate. [

25X1

25X1

13 July 62

DAILY BRIEF

v

25X1

25X1

25X1

25X1

*Burma: General Ne Win is planning to leave Burma on 14 July for a trip to Europe, [REDACTED] [REDACTED] His absence from the country at this time might well provide an opening for opponents of his regime to attempt a coup. Ne Win's prestige in the country is at the moment at an all-time low following the strongly critical popular reaction to the army's ruthless suppression of the 7 July riots at Rangoon University.

25X1

25X1

Ne Win's visit to Europe apparently was planned prior to the 7 July riots. He is said to intend to join his wife in Vienna, where she went earlier this month, and after about a week there to proceed to London. It is possible that he will yet cancel the trip. [REDACTED] [REDACTED]

25X1

13 July 62

DAILY BRIEF

vi

25X1

Algeria: The talks in Rabat between dissident Vice Premier Ben Bella and a PAG minister from Algiers produced a compromise procedure for attempting to resolve the split within the Algerian leadership, according to Abdelkadar Chanderli, PAG representative at the UN. Chanderli said on 11 July that the "dismissed" Algerian National Army (ALN) staff officers would be "restored to duty" by the PAG and would publicly pledge loyalty to it. The National Revolutionary Council (CNRA) would then meet to name a committee to select candidates for the constituent assembly elections scheduled for 12 August. Chanderli admitted, however, that argument over naming such a committee caused the breakup of the June CNRA meeting in Tripoli. Ben Bella forces commanded a majority of the CNRA at that meeting, but failed to win the two thirds needed to give them control of the committee.

25X1

Independently of the above compromise, a special council of ALN officers, who generally support Ben Bella, reportedly will meet in Algiers to try to resolve the quarrel. Ben Bella may feel that such an effort is necessary because he still is not assured of a two-thirds majority. Meanwhile, there are indications of increasing tension between ALN units supporting Ben Bella and those loyal to Ben Khedda and the PAG. The troops are said to feel that no political progress can be made in Algeria until the leadership issue is resolved.

25X1

13 July 62

DAILY BRIEF

vii

Yugoslavia: Yugoslavia is attempting to balance its foreign economic relations by strengthening its association with the bloc, maintaining economic ties with the West, and developing broad economic cooperation among the nonaligned states. During the 3-6 July visit to Moscow by a high-level Yugoslav economic delegation, Moscow and Belgrade signed a new enlarged trade agreement for 1963-65. The USSR agreed in principle to grant Belgrade unspecified credits in 1963, in amounts to be determined on the merits of individual Yugoslav requests. According to Yugoslav diplomats, Moscow also agreed to give favorable consideration to a request for Yugoslav participation in certain committees of the bloc's international economic organization (CEMA).

25X1

[On 9 July, Yugoslav politburo member Bakaric told an American diplomat that in the fall Belgrade will attempt to reach some accommodation with the Common Market.] Yugoslavia is already a member of certain committees of the Organization for Economic Cooperation and Development (OECD) and eventually intends to seek full membership in the organization.

At the Cairo Economic Conference of Developing Countries, Yugoslavia's chief delegate on 11 July proposed "setting up an institution composed of qualified experts to deal continuously and systematically with problems of economic cooperation" between the participating states. He specifically proposed developing mutual transport, monetary cooperation, consultation on customs facilities, cooperation in production, and technical assistance.

25X1

25X1

13 July 62

DAILY BRIEF

viii

25X1

25X1

Czechoslovakia: The Czech regime has undertaken its second major reshuffle of the government within a year. Changes in the economic apparatus suggest that one major purpose is to tighten control over the economy. [Another probable aim is to reduce opposition to Party Secretary Novotny's leadership.]

25X1

These moves, along with the postponement of the party congress from October to December, reinforce the view that Novotny has been under attack because of the weak performance of the economy and his imprisonment of former Interior Minister Rudolf Barak, his major political rival. [There have been rumors since mid-May that Novotny would be forced to resign.]

25X1

13 July 62

DAILY BRIEF

ix

25X1

Spain: The US Embassy in Madrid does not attach great significance to the recent cabinet changes which involved the replacement of seven ministers. The appointment of "progressive" new ministers of labor and industry will probably facilitate some liberalization of the government's economic policies, but no comparable tendency in the political sphere is likely as a result of the changes.

The creation of the vice presidency to which 66-year-old Captain General Munoz Grandes was appointed was intended to place an individual directly in a position to carry on the government in the event of Franco's death or incapacity. Vice President Munoz Grandes, who retains the post of chief of the high general staff, and has acquired control of the three service ministries in the present reorganization, is now the second most powerful man in Spain. The creation of the post of vice president solves neither the problem of who will succeed Franco as chief of state nor the long-standing question of a return to a monarchy. []

25X1

25X1

13 July 62

DAILY BRIEF

x

THE PRESIDENT

The Vice President

Executive Offices of the White House

Special Counsel to the President

Military Representative of the President

The Special Assistant for National Security Affairs

The Scientific Adviser to the President

The Director of the Budget

The Director, Office of Emergency Planning

The Director, National Aeronautics and Space Administration

The Department of State

The Secretary of State

The Under Secretary of State

The Under Secretary of State for Political Affairs

The Deputy Under Secretary of State for Political Affairs

The Counselor and Chairman of the Policy Planning Council

The Director of Intelligence and Research

The Treasury Department

The Secretary of the Treasury

The Under Secretary of the Treasury

The Department of Defense

The Secretary of Defense

The Deputy Secretary of Defense

The Secretary of the Army

The Secretary of the Navy

The Secretary of the Air Force

The Assistant Secretary of Defense (International Security Affairs)

The Assistant Secretary of Defense

The Chairman, The Joint Chiefs of Staff

Chief of Naval Operations, United States Navy

Chief of Staff, United States Air Force

Chief of Staff, United States Army

Commandant, United States Marine Corps

U. S. Rep., Military Committee and Standing Group, NATO

Supreme Allied Commander, Europe

Commander in Chief, Pacific

The Director, Defense Intelligence Agency

The Director, The Joint Staff

The Director for Intelligence, The Joint Staff

The Assistant Chief of Staff for Intelligence, Department of Army

The Director of Naval Intelligence, Department of Navy

The Assistant Chief of Staff, Intelligence, Department of the Air Force

The Department of Justice

The Attorney General

The Federal Bureau of Investigation

The Director

The Atomic Energy Commission

The Chairman

The National Security Agency

The Director

The United States Information Agency

The Director

The National Indications Center

The Director

Approved For Release 2003/04/17 : CIA-RDP80-01975A006500100001-8

TOP SECRET

Approved For Release 2003/04/17 : CIA-RDP80-01975A006500100001-8

TOP SECRET

STAT

Approved For Release 2003/04/17 : CIA-RDP79T00975A006500100001-8

Approved For Release 2003/04/17 : CIA-RDP79T00975A006500100001-8